

ASSEMBLY BILL

No. 410

Introduced by Assembly Member Jones-Sawyer

February 15, 2013

An act to add Section 22838 to the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 410, as introduced, Jones-Sawyer. Public employee health benefits: enrollment.

Existing law requires the Board of Administration of the Public Employees' Retirement System (PERS) to administer the Public Employees' Medical and Hospital Care Act (PEMHCA). PEMHCA further grants the board the power to approve health benefit plans and contract with carriers offering health benefit plans. Under PEMHCA, an employee or annuitant may enroll in a health benefit plan approved or maintained by the board either as an individual or for self and family.

Existing law provides that an employee who does not retire within 120 days of his or her separation from public employment, loses his or her eligibility for postemployment health care benefits under PEMHCA.

This bill would permit an annuitant who reinstates from retirement under PERS for employment by the state or a contracting agency and who subsequently retires again on or after January 1, 2014, to enroll in a health benefit plan under PEMHCA as an annuitant of the employer from which he or she first retired, upon meeting specified conditions, including that the person's subsequent retirement occurs within 120 days after separation of employment or the person is subject to disability retirement, as specified, the person had at least 5 years of credited service for the employer from which he or she first retired or qualifies

for a contribution payable by an employer under disability retirement, and that the person is not eligible for a postretirement health benefit contribution from the employer from which he or she subsequently retires.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22838 is added to the Government Code,
2 to read:
3 22838. (a) An annuitant who reinstates from retirement
4 pursuant to Article 7 (commencing with Section 21190) of Chapter
5 12 of Part 3 may, upon his or her subsequent retirement, enroll in
6 a health benefit plan approved or maintained by the board as an
7 annuitant of the employer from which he or she first retired if all
8 of the following apply:
9 (1) The subsequent retirement of that person occurs within 120
10 days after separation from employment or, if applicable, by the
11 date provided in subdivision (b) of Section 22893.
12 (2) That person had at least five years of credited service for
13 the employer from which he or she first retired or qualifies for a
14 contribution payable by an employer as described in subdivision
15 (b) of Section 22893.
16 (3) That person is not eligible for a postretirement health benefit
17 contribution from the employer from which he or she subsequently
18 retires or the postretirement health benefit contribution payable
19 by that employer is less than the contribution payable by the
20 employer from which the annuitant first retired.
21 (b) The postretirement health benefit contribution payable by
22 an employer under this section shall be in lieu of a contribution
23 payable to the annuitant by any other employer under this part.
24 (c) If an annuitant enrolls as an annuitant of the employer from
25 which he or she first retired as described in subdivision (a), the
26 credited service of that annuitant for purposes of calculating the
27 employer postretirement health benefit contribution shall not
28 include years of service for any employer after reinstatement from
29 retirement unless that employer is the same employer from which
30 the annuitant first retired.

1 (d) This section shall apply irrespective of whether the person
2 is enrolled as an employee during his or her reinstatement from
3 retirement.

4 (e) An annuitant who is eligible to enroll pursuant to this section
5 may enroll within 60 days after his or her subsequent retirement
6 or during a future open enrollment period, as provided by
7 regulation of the board, without discrimination as to premium rates
8 or benefits coverage.

9 (f) This section shall only apply to an annuitant who, after
10 reinstatement, subsequently retires on or after January 1, 2014.